



Mexico: Home Care Services

Author Name: Alicia Herrera
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SUMMARY

The market for home care services and products is still being developed in Mexico. The first home care programs appeared only few years ago and were mainly nursing services. The changes in the way of life, economic conditions and the arrival of new systems and products that can improve the quality of life of senior people and patients with special needs, have changed the profile of the market and its future development. This reflects an increased demand of products for this sector, including medical equipment, medical instruments, disposables, and health care products.

MARKET DEMAND

The Mexican market for home care products and services is an emerging market. The first programs that appeared were mainly nursing services. Now, several institutions are developing programs to provide fully integrated patient support services.

Although currently limited by economic conditions, the Mexican market for home care products is expected to grow steadily over the next several years. The cultural and economic conditions that limited the home care service in the past are starting to change, creating a positive environment that will increase demand significantly in the coming years.

Some factors affecting the market include:

- The mortality index per 1000 inhabitants has declined from 6.5 in 1980, to 4.6 in 1997, to 4.3 in the year 2000. The life expectancy has increased from 72 years in 1994 to 75.3 years in the year 2000.
- The health conditions of the Mexican population have improved significantly in the last decades. However, the way of life has also changed. Now, 74.6 % of the population live in urban areas, a high percentage of female population has been incorporated to the labor force, the consumption of fast food has increased significantly and less people exercise in a regular basis. These conditions have affected the Mexico's health profile and reflect a higher incidence of obesity, diabetes, heart diseases, chronic pulmonary diseases, traffic accidents, HIV and cancer. Now diabetes is the first cause of death in Mexico and 70 percent of the population is overweight.
- Due to budget limitations, Mexican social security institutions are shifting their efforts to increase home care programs as a method to reduce costs by reducing the length of hospital stays for terminal patients, patients with chronic diseases, pediatric patients, and senior patients.
- Insurance companies are trying to reduce the economic impact of specialized care, through home care programs.
- Many private patients are trying to reduce health care costs through home care services.

- An increasing number of patients prefer the comfort and family company obtained through home care services.

MARKET ACCESS

To be imported to Mexico, all products must comply with the legal, technical and tax requirements. These include regulations on labeling, quality standards, certificate of origin, import permits and duties. All import requirements are listed by HS codes (tariff code). Many products intended for medical applications need to be registered and approved by the Secretariat of Health.

The Secretariat of Health is very active in preparing and issuing standards for medical products. Updated information on NOMs and other sanitary processes can be found in the web page of the Mexican Secretariat of Health: www.ssa.gob.mx

HARMONIZED SYSTEM CODES

The harmonized system code determines how a product is classified for import/export purposes. In Mexico, most import regulations and standards are HS code-specific.

It is very important for American companies exporting home care products to Mexico to use the correct and complete HS classification for its products, in order to comply with the specific Mexican regulations.

Under NAFTA, all home care products of U.S. origin can be imported duty free into Mexico. The following is an updated list of Mexican HS codes for home care products.

Harmonized system code	Product
3922.9099	Sanitary & hygienic devices, plastic made
4014.9001	Pneumatic pillows
4014.9002	Urinary devices for incontinents, rubber made
4014.9003	Colostomy devices
4014.9004	Ileostomy bags
4014.9099	Other hygienic devices, rubber made
5601.1001	Diapers and hygienic products
7324.9002	Urinary accessories
8423.1001	Scales for persons
8713.1001	Manual wheelchairs
8713.9099	Other wheelchairs & vehicles for disabled
8714.2001	Parts for wheelchairs & vehicles for disabled
9018.1903	Electronic stethoscopes
9018.1905	Patient monitor systems
9018.9003	Blood pressure monitors
9018.9014	Pleural suction pumps
9018.9015	Suction apparatus
9018.9019	Stethoscopes
9019.1001	Hydrotherapy apparatus
9019.1002	Electric massage apparatus
9019.1099	Other therapy apparatus
9019.2001	Oxygen therapy apparatus
9021.1001	Corsets, belts or trusses
9021.1003	Orthopedic arch supports
9021.1004	Apparatus for fracture traction
9021.1901	Corsets & binders
9021.1902	Orthopedic shoes
9021.1903	Orthopedic devices, stainless steel made
9021.1904	Orthopedic apparatus for traction
9021.1999	Other orthopedic apparatus
9021.4001	Earphones
9025.1199	Thermometers, liquid base
9025.1903	Electronic thermometers
9026.2001	Manometers, electric or electronic

9026.2006 Other manometers
9401.4001 Seats than can be
 transformed into beds

IMPORT FIGURES

From 2003 to 2005 the import market grew 33 percent. The U.S. has traditionally been the main supplier of imported home care products in Mexico. U.S. products have prestige as being of very good quality. However, China is gaining market share very fast, due to the very low prices of their products. The following tables show the import figures for the last three years and market share by main competitors.

Import figures in million U.S. dollars

Country	2003	2004	2005
United States	103.86	102.90	119.76
China	17.08	24.20	36.38
Germany	5.72	9.45	11.24
Switzerland	6.54	6.02	5.88
South Korea	1.45	2.79	5.69
Taiwan	2.35	4.62	5.48
Italy	3.92	3.72	4.28
Others	22.73	27.24	29.77
TOTAL	163.65	180.94	218.48

Import market share for main competitors

Countries	2003	2004	2005
United States	63 %	57 %	55 %
China	10 %	13 %	17 %
Germany	3 %	5 %	5 %
Switzerland	4 %	3 %	3 %
South Korea	1 %	2 %	3 %
Taiwan	1 %	3 %	3 %
Italy	2 %	2 %	2 %
Others	16 %	15 %	12 %
TOTAL	100 %	100 %	100 %

Source: Import statistics by harmonized system code from Bancomext

Best prospects:

- all kind of therapy apparatus
- manual and electric wheelchairs
- patient monitors for hospital and home care use
- portable patient monitors, glucose, cholesterol, blood pressure

- specialized furniture
- orthopedic devices

HOME CARE PROVIDERS

Although the market is being developed quickly, very few institutions in Mexico provide organized integral home care services. Public institutions offer very basic home care support to their affiliate, while the private sector is focusing on developing sophisticated services.

Public sector

In the public sector, only two national institutions offer some kind of home care services:

Mexican Institute of Social Security (IMSS)

The IMSS is the institution providing medical services to employees of the private sector. The IMSS has over 42.9 million affiliated people, including workers and their families.

The IMSS has over 1,300 health care units, of which 1,076 are clinics offering general medicine and outpatient services, 223 hospitals offering specialized medicine, and 41 medical centers offering high specialty medicine. The institution has over 40,000 hospital beds and a staff of over 260,000 people of which over 55,000 are medical staff.

The IMSS provides patients with the basic equipment such as wheelchairs, crutches and adjustable beds, only while they are in the hospital. The institution has a program for patients recovering from surgery or other treatments, as well as for patients with chronic diseases or in the terminal phase of serious diseases like cancer, HIV, or other. For these patients, the IMSS provides doctor and nurse visits, equipment and apparatus required for oxygen therapy, and ambulances for transportation to and from therapies under program. The institution does not provide other devices or apparatus for external or domestic use. Patients under outpatient or home care treatment must rent or buy their own apparatus and devices.

Some orthopedic devices are provided to affiliated workers, only when the need was created by a labor accident.

Institute for Social Security and Services for Public Employees (ISSSTE)

As its name refers, the ISSSTE is the institution providing medical and social services to workers of the public sector. Currently, the institution has 1.5 million affiliates, including workers and their families.

The ISSSTE has 1,233 health care units, of which 1,115 are clinics and doctor offices providing general medicine and outpatient services, 105 are hospitals offering specialized medicine, 11 medical centers offering high specialty medicine, and 2 special units. The ISSSTE has 16,848 doctors and 19,753 nurses.

As a benefit for workers of public institutions, the ISSSTE provides patients in home care with domestic visits from doctors, nurses, and rehabilitation therapy professionals, as well as with all the

necessary devices for their home care, such as specialized beds, mattresses, wheelchairs, crutches, walking aids, orthopedic devices and oxygen therapy devices.

Other public institutions.

Some state social security institutions also offer some home care services to their affiliates. These services vary depending on each institution's program and budget.

Private sector

The private sector home care services are mainly offered in three basic lines: Nursing services, integral home care services, and patient/senior care facilities:

Nursery services

The specialized nursing service is the most extended home care service offered in Mexico. It can be found in almost any medium and large city in the country. However, these services in most cases do not include any other service or support for the patient or the family.

Home care services

The integral home care service is getting a position in the market, as most large hospitals in main Mexican cities, already have an organized integral home care service for the patients that prefer the comfort and family environment at home. Some important institutions in Mexico City offering home care service include:

ABC Hospital: Medicasa

The American British Cowdray (ABC) hospital is a corporation with two large high speciality hospitals in Mexico City and with agreements for academic development, patient referral and second opinion exchange with many medical institutions in the world.

ABC Hospital has an integral home medical attention program called Medicasa, that brings qualified medical personal, equipment, and furniture to the homes of clients who need continued medical attention. The service offers the patient the possibility to receive a variety of medical services in his/her home or office including nursery care, laboratory tests and results, cabinet studies, X-rays, vaccinations, and many other services by visiting doctors, nurses and therapists. The service is offered to both new and longstanding patients of ABC Hospital.

Services offered:

- A variety of in-home help including nurses (both specialists and general), nurses' aids, and home caregivers
- Clinical analysis
- Ultrasounds, x-rays, and cardiograms
- Rehabilitation and physical, occupational, and language therapy
- Transfusions under continual medical surveillance
- Emergency transfer of patients from anywhere in Mexico or worldwide to the ABC Hospital

- Sale or rent of recuperation and rehabilitation equipment

For more information on ABC Hospital Medicasa, please visit its website:

<http://www.abchospital.com/>

MedicaSur

Medica Sur, another large hospital in Mexico City, offers a service that brings high-quality medical attention to the comfort of a patient's home. Their staff includes therapists, nurses, and caregivers all qualified to bring the prescribed care of the treating doctor to the patient at home.

Services offered:

- The ability to conduct over 1600 clinical laboratory tests on the most advanced technology at home
- Complete supply of medical equipment available for home care to suit the patient's particular needs
- Home nurse and caregiver service available year round
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For more information on MedicaSur, please visit its website:

[http://www.medicasur.com.mx/wb2/Medica en linea/UTI Servicios a domicilio](http://www.medicasur.com.mx/wb2/Medica_en_linea/UTI_Servicios_a_domicilio)

Grupo Angeles: Angeles Care

Grupo Angeles is a group with 13 hospitals along Mexico and in the process of building 7 new hospitals that should start operating in 2007. This group offers a home nursing care as a more affordable alternative to hospitalization for patients with long-term health problems. Their highly qualified medical professionals allow patients to follow their prescribed care from the comfort of their homes.

Services offered:

- Highly qualified medical professionals who are capable of using the most modern medical equipment
- All medical products brought to the home
- A variety of nurses and caregivers depending on the needs of the patient
- Rent and sale of all medical equipment and medicine for use in the home
- Ambulance service available
- Respiratory equipment and supervision available
- Education for the patient and/or family on how to deal with specific illnesses

For more information on Grupo Angeles Angeles Care, please visit its website:

<http://www.mediks.com/angelescare/index.php>

Lifeline Mexico

Lifeline Mexico is a branch of the company Lifeline Home Health Care based in Kentucky that is offering integral home care services in Mexico. This company started offering services for U.S. citizens retired in the State of Jalisco and Mexico City, and now has expanded services for patients recovering or dealing with neurological problems, Alzheimer, traumas, cancer, diseases in terminal phase, respiratory problems, and others. Lifeline has agreements with most medical insurance companies to take care of their patients in home care.

Services offered include:

- Physical therapy
- Language therapy
- Occupational therapy
- Respiratory therapy
- General and specialized nursery care
- Laboratory tests
- Nutritional support
- Ambulances
- Materials and equipment for rent or sale
- Pharmacy

For more details on Lifeline Home Care, please visit its website:

<http://www.paginasprodigy.com/lifelinemexico/servicios.htm>

Medica Movil

Medica Movil, is a division of the insurance company Grupo Nacional Provincial (GNP) that offers land and air ambulances, intensive care, laboratory testing, all kind of therapies, national and international specialized transportation, intensive care ambulances, electronic clinical file through internet, chemotherapy services, medical consultation, 24 hour doctor's calling center, and an affiliated doctor's network for affiliated patients with conditions such as after-surgery, critical physical conditions, rehabilitation treatment, chronic or terminal disease.

For more detailed information on Medica Movil, please visit its website:

<http://www.medicamovil.com.mx/servicios-cuidados-hogar.phtml>

Other institutions

A few companies offer telephone medical consultation, service monitoring and transportation. Only one company, Servicios de Salud Integrales, offers parenteral feeding.

Patient/senior care facilities

The market potential in the sector of senior/patient care has attracted the attention of many groups that have identified a good opportunity to do business in this niche. Some former senior care

institutions are expanding services to offer rehabilitation, permanent medical attention and supervision, entertainment, and other services for different kind of patients.

Some investment groups are starting retirement residential projects with integrated services, including medical care and home care services. Many of these projects are intended to be promoted to U.S. citizens willing to retire in Mexico.

DISTRIBUTION PRACTICES

Products for home care in Mexico are normally sold through stocking distributors and retailers. Some distributors offer products for sale or for rent. Others only focus on sales. When the customer does not find the product available, they seek other distributors, or select a different product.

When doing business in Mexico with products new to the market, American companies should not expect high volume sales immediately. As the market is still emerging, a good promotional campaign is necessary to gain the patients'/consumers' preference. Some large distributors prefer to sell only products with a clear and current demand. However, there are many products that are not available in the Mexican market, and that could have a good potential if introduced with an appropriate promotional campaign.

When selecting a distributor, companies must be very clear on establishing the conditions to introduce new products to the market.

SIGNIFICANCE FOR U.S. EXPORTERS

U.S. exporters of products and equipment that could be used in the above mentioned home care services could find excellent opportunities to sell in Mexico. Under NAFTA, all kinds of products for this sector can be imported duty free into Mexico. Interested parties should take advantage of this opportunity.

For more information

For more information on opportunities in the home care and medical sectors in Mexico, please contact:

Alicia Herrera
Senior Commercial Specialist
U.S. Commercial Service, Mexico City
Tel: (011-52-55) 5140-2629
Fax: (011-52-55) 5566-1111
E-mail: Alicia.Herrera@mail.doc.gov

or visit our website: www.buyusa.gov/mexico.

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